

STATE OF ECONOMIC DEVELOPMENT

July 18, 2023



**FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

FAIRFAX COUNTY EDA MISSION

To promote the competitive advantages of Fairfax County and influence the growth of a diverse and innovative business ecosystem that enhances the tax base, creates demand for commercial space, and supports an extraordinary and equitable quality of life across Fairfax County.



**FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

652,000

PAYROLL JOBS

156,000

BUSINESSES

8,800

**TECHNOLOGY
ESTABLISHMENTS**

42,000

**EMPLOYER
ESTABLISHMENTS**

8,000+

**MINORITY-OWNED
PAYROLL ESTABLISHMENTS**



FCEDA SERVICES

The Fairfax County Economic Development Authority (FCEDA) provides a wide array of free, confidential services and information to assist new, expanding and relocating American and international businesses. Headquartered in Tysons, Fairfax County's largest business district, the FCEDA also maintains offices in major technology centers around the world: Bangalore/Mumbai, Berlin, London, Los Angeles, Seoul and Tel Aviv.

HOW WE CAN HELP



**IDENTIFY COMMERCIAL REAL ESTATE
OPTIONS**



**OFFER WORKSHOPS FOR NEW AND
EXISTING BUSINESSES**



**ACT AS LIAISON TO LOCAL AND STATE
GOVERNMENTS**



**PROVIDE MARKET AND INDUSTRY
INSIGHTS**



**RECOMMEND BUSINESS DEVELOPMENT
CONNECTIONS AND SUPPORT**



**PROVIDE SUPPORT FOR MARKETING/
PUBLIC RELATIONS VISIBILITY**



**IDENTIFY WORLD-CLASS TALENT TO
FILL YOUR OPEN JOBS**



**FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

EXPANDING THE WORLD-CLASS BUSINESS ECOSYSTEM



ALARM.COM®

amentum

BLUE ORIGIN

BODE
TECHNOLOGY

cargosense

CLARK
CONSTRUCTION

Dev
DEV TECHNOLOGY GROUP



Enabled Intelligence

Hilton

> nodal

PANGIAM

SmartRoof

SOMATUS
REVOLUTIONIZING KIDNEY CARE

StarKist®

tele

BUSINESS DIVERSITY

MINORITY-OWNED FIRMS

8K+ EMPLOYER FIRMS
85K EMPLOYEES
33% OF EMPLOYERS

WOMAN-OWNED FIRMS

5K+ EMPLOYER FIRMS
53K EMPLOYEES
22% OF EMPLOYERS

VETERAN-OWNED FIRMS

2K+ EMPLOYER FIRMS
26K EMPLOYEES
8% OF EMPLOYERS

#1

**FAIRFAX COUNTY HAS THE
MOST MINORITY-, WOMAN-
AND VETERAN-OWNED
EMPLOYER FIRMS IN THE
DMV REGION.**

(VIRGINIA, DISTRICT OF COLUMBIA, MARYLAND)



#1

**EAST COAST METRO
WHERE MINORITY
ENTREPRENEURS
ARE SUCCEEDING
(3RD IN US)**

(LENDING TREE)

RECENT ENTREPRENEURIAL SUCCESSES



**“TALENT IS THE
NEW CURRENCY
OF ECONOMIC
DEVELOPMENT.”**

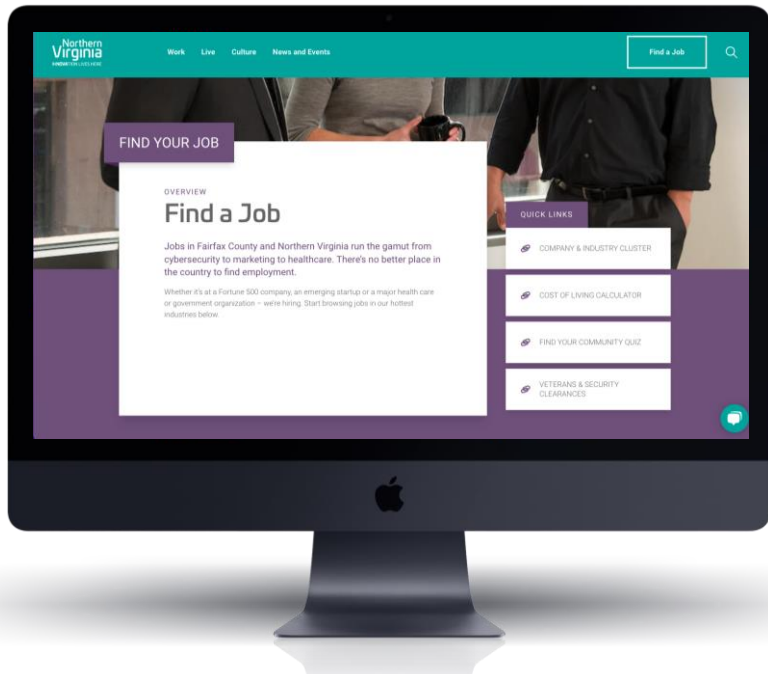
DARIN BUELOW, PRINCIPAL, DELOITTE



TALENT PROGRAMMING SUCCESS

250,000+

**JOB SEEKERS CONNECTED
TO OPEN POSITIONS
ONLINE**



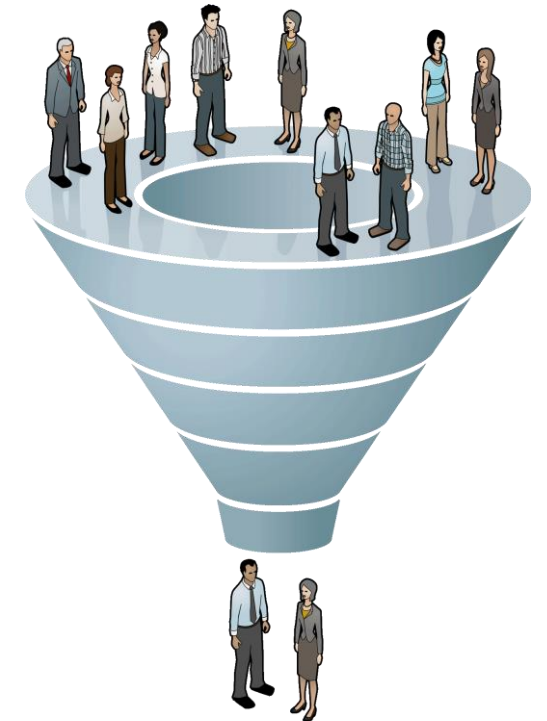
10,000+

**JOB SEEKERS CONNECTED
TO RECRUITERS AT
EVENTS**



17,000+

**EMPLOYERS' TALENT
PIPELINES DIRECTLY
SUPPORTED**



100+ UNIVERSITY PARTNERS

INCLUDING 40 HBCUs



BUILDING GLOBAL BRAND REPUTATION FOR COMPETITIVENESS

Tech is thriving in D.C.'s backyard — despite lawmakers' efforts to rein in the industry

Last Updated: March 18, 2023 at 10:16 a.m. ET
First Published: March 15, 2023 at 4:35 p.m. ET

By [Jon Swartz](#) [Follow](#)

Tech companies specializing in defense contracts, AI, space, cloud computing and healthcare are thriving in the capital region



Fairfax County ready to help Korean firms expand into US

By Jo Heon

Fairfax County of Virginia, one of the major business destinations in the US, is home to 8,800 tech companies, including nine listed on the Fortune 500. South Korea also has a sizeable business community consisting of some 40 companies — the largest number among Asian countries — including Daewoo Group, SK, Samsung, and Korea Aerospace Industries.

Behind the successful attraction of the big names and multinational businesses stands Fairfax County Economic Development Authority, which serves the firms with its strong digital recruitment platform and various support programs. Victor Hoskins, the agency's president and chief executive officer said in a recent interview with The Korea Herald.

"The challenges (of entering a new market) are generally the same for almost any country. Language is always an issue. And then understanding the dynamics of the market and finding the right talent," Hoskins said upon his first visit to Seoul earlier this week.

"Fairfax County Economic Development Authority has served as a go-to resource for Korean companies interested in expanding into the US market since 2004."

Hoskins, who took office as the FCEDA chief in 2019, on this visit met a group of companies and startups to promote the county's business potential.

Regardless of the size of the companies, finding the right people to work with is the most challenging, Hoskins said. Under his leadership, the FCEDA launched its digital recruitment platform in 2020 to connect the highly educated workforce in the region with companies.

"We have about 400,000 enrolled in the 60 universities throughout our region, and about 90,000 graduates come out every year. So there's this talent funnel just pumping out talent," Hoskins said.

"We call it a digital hub, because it's more than just jobs. It's also recruiting and upskilling all of the workforce," he added.

Fairfax County seeks to secure its reputation as the "Silicon Valley of the East" as its key business sectors are technology-based, including artificial intelligence, machine learning, robotics, information, technology, telecommunications, cloud computing and quantum.

The county is already an attractive region for foreign companies, with its proximity to Washington, DC, offering convenient access to the federal government, and having two international airports within a 30-minute drive.

For Korean companies, the big Korean community is also a selling point. Fairfax has the third-largest Korean community in the country. During his tenure, Microsoft announced to build a 400,000-square-foot software R&D center with 1,500 employees, along with Google, Facebook, Amazon Web Services, Volkswagen, Group of America, Guidewire, StarKart, Qualtrics and the global law firm of King

& Spalding. In his previous job as the director of Arlington Economic Development in Arlington County, Virginia, Hoskins also successfully attracted big names such as Amazon and NetScout to boost the regional economy.

On the challenges Korean companies are facing from the US introduction of a series of protectionist policies, such as the Inflation Reduction Act and the CHIPS Act, Hoskins said the companies should look at it in the long term.

"For more than 70 years, Korea and the US have worked through problems way bigger than this, like building the Korean economy in the beginning, the financial crisis and the war," he said.

Christy Yook, who is in charge of FCEDA's Asian investment, also said that while American policies are pushing Korean companies to build factories on US soil, it is also encouraging other smaller suppliers to tap into a new market with "huge opportunities."

"I know it's going some of the challenges immediately, at the same time, I feel like there are benefits as well," said Yook, a Korean American.

"Smaller Korean suppliers come and enter the US market, and they would not have thought of expanding their businesses far before."

(herin@heraldcorp.com)

5 Reasons Northern Virginia is Ideal for the Military & Veteran Community

[f](#) [t](#) [p](#) [v](#) [+](#)

ILLUSTRATION BY ELENA SCOTTI/THE WALL STREET JOURNAL, ISTOCK (2); PIXELSQUID (2)

Bosses Pay Workers to Move Closer to Offices

Relocation assistance can range from a lump sum to full-service packages

By [Ray A. Smith](#) [Follow](#)

Updated April 17, 2023 at 2:32 pm ET

07-12-22

The shockingly fun amenity on the roof of Capital One's headquarters

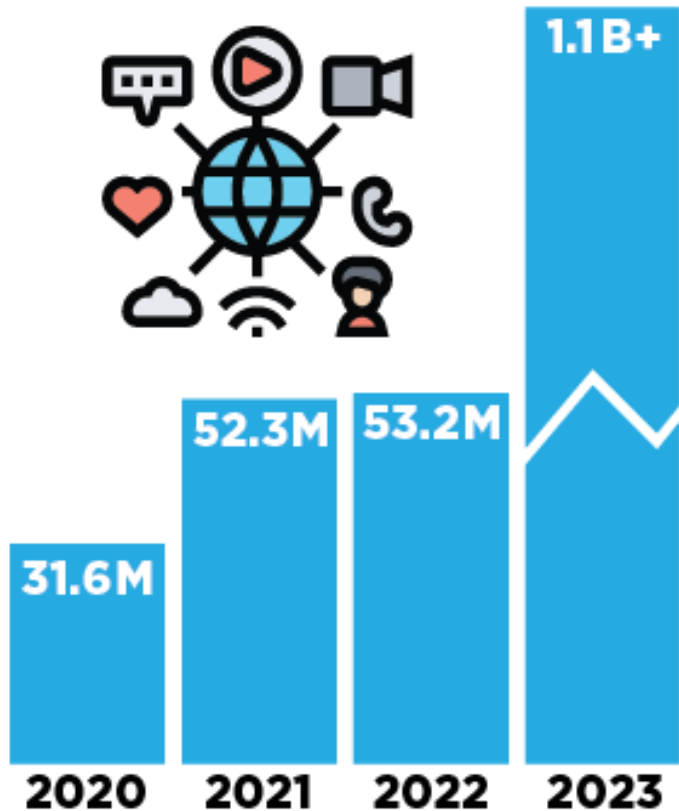
The bank may have one of the most unexpected perks for its office workers.

[Photo: Capital One Center]

[f](#) [t](#) [in](#) [e](#)

BUILDING GLOBAL BRAND REPUTATION FOR COMPETITIVENESS

EARNED MEDIA VALUE (\$)



The New York Times



The Washington Post



AREA DEVELOPMENT



WSJ

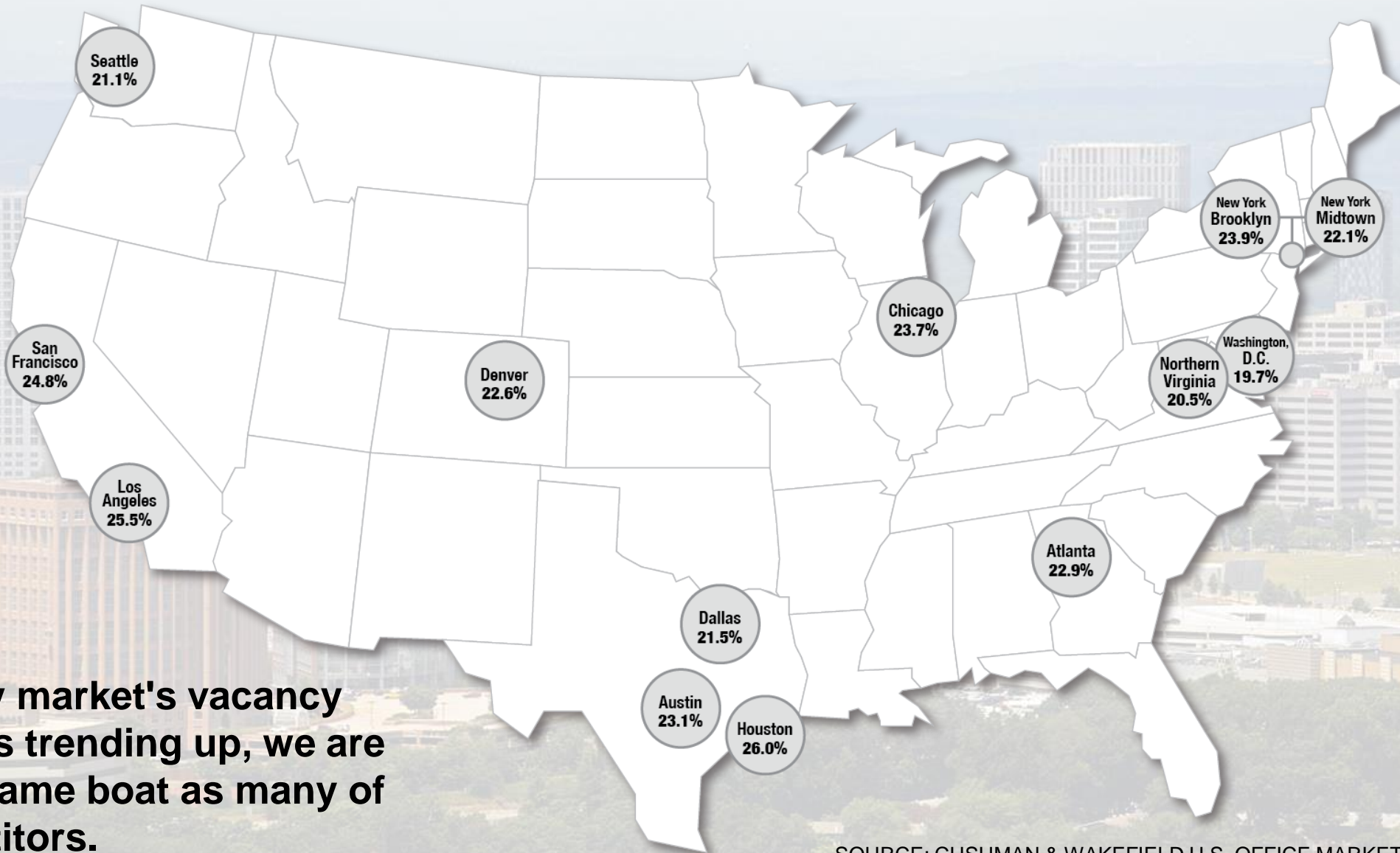


CURRENT OFFICE MARKET AND LEASING TRENDS



**FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

OFFICE VACANCY RATES



While every market's vacancy nationally is trending up, we are not in the same boat as many of our competitors.

SOURCE: CUSHMAN & WAKEFIELD U.S. OFFICE MARKET REPORT – Q1 2023

Office markets tend to move slower than other economic indicators, as we are just now seeing result of decisions made before pandemic.

FAIRFAX COUNTY OFFICE MARKET

- 120 million square feet
- Aging inventory
- 16.7% direct vacancy rate
- Diverse office product
- Diverse tenant base

Global consulting firm ICF to relocate to Reston



ICF International Inc. plans to shift its headquarters to 1902 Reston Metro Plaza from its longtime home in Fairfax.
COURTESY CRAIG EDWARDS



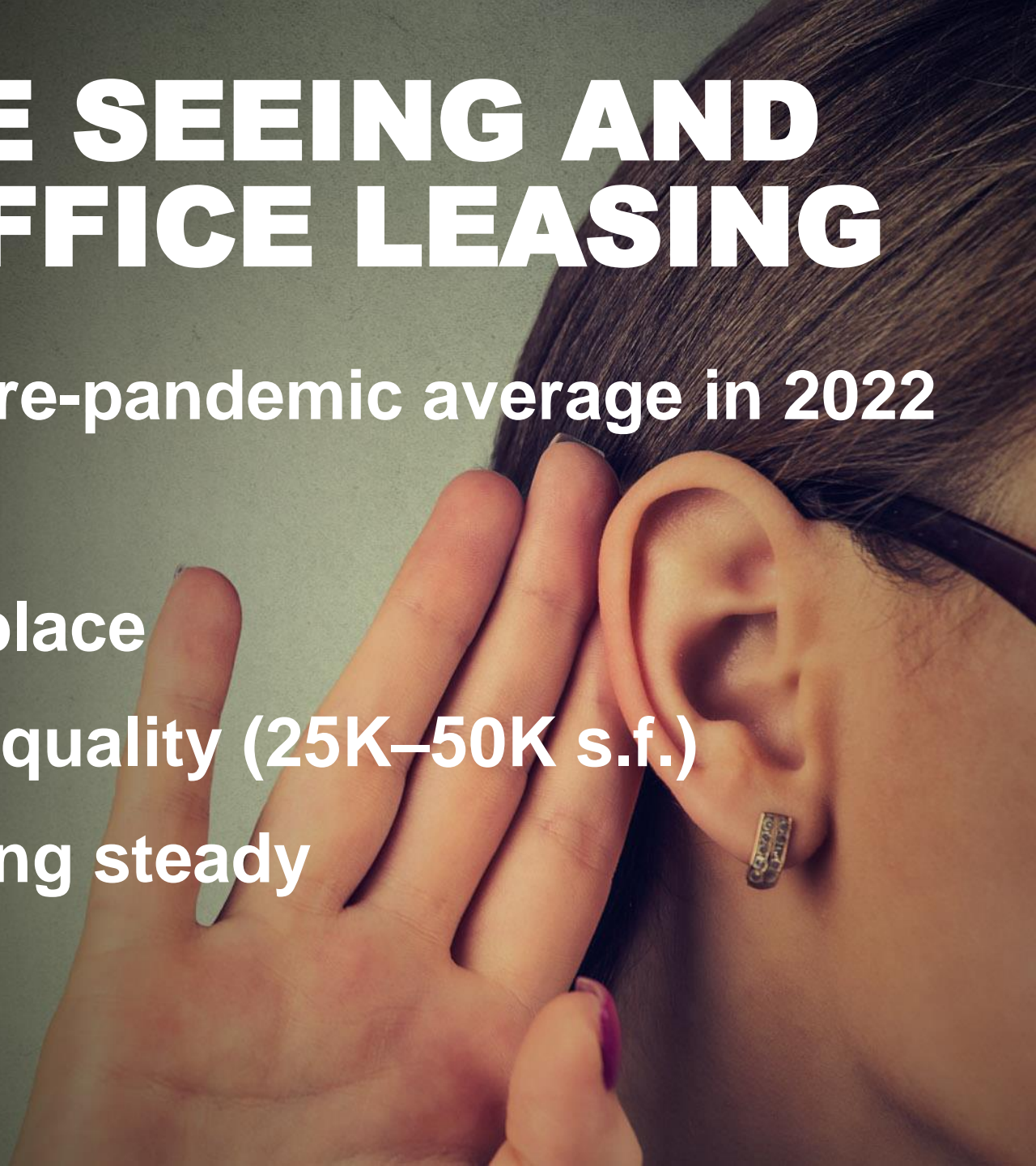
By **Daniel J. Sernovitz** – Senior Staff Reporter, Washington Business Journal
Oct 30, 2019 **Updated** Oct 31, 2019 12:39pm EDT

ICF International Inc. (NASDAQ: ICFI) plans to uproot from its longtime home in Fairfax for a new headquarters at Reston Station by the Wiehle-Reston East Metro.

The global consulting firm has inked a full building lease at 1902 Reston Metro Plaza, an eight-story, 250,000-square-foot office building from Comstock Holding Cos. Inc. Comstock (NASDAQ: CHCH) plans to deliver the building in 2021, but ICF is not expected to relocate until its space is built out for it in 2022. The office building, the third to deliver at Reston Station, is being developed over additional parking and restaurant space.

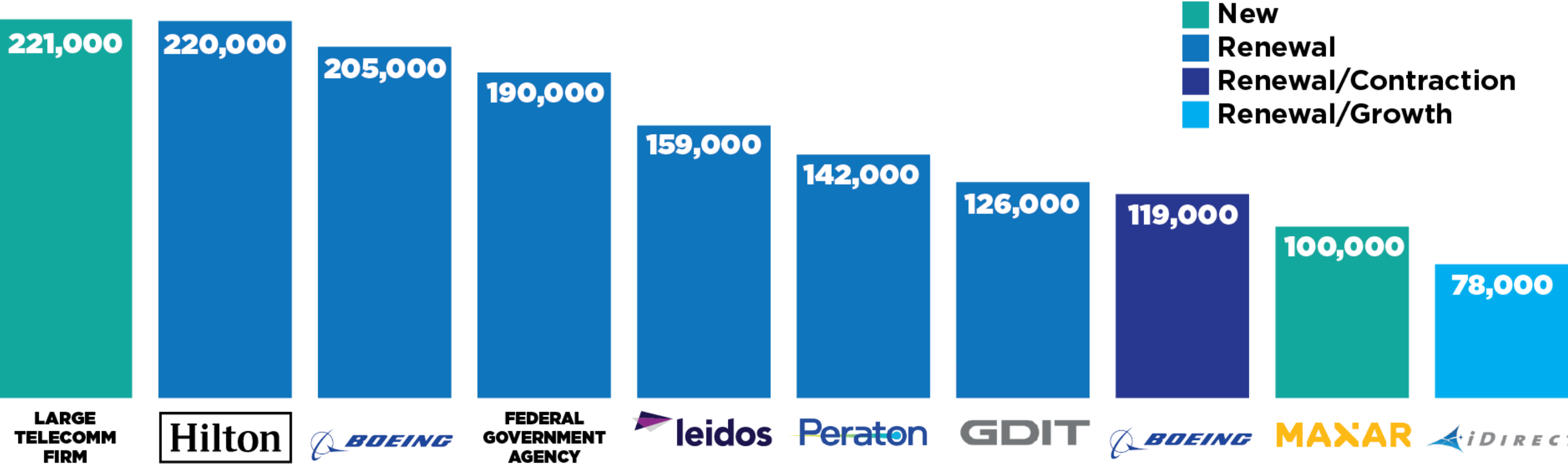
WHAT WE ARE SEEING AND HEARING IN OFFICE LEASING

- **Leasing at 63% (6.6M) of pre-pandemic average in 2022**
- **Bifurcation of Market**
- **Larger tenants staying in place**
- **Mid-size trading space for quality (25K–50K s.f.)**
- **Co-working space remaining steady**
- **Tour activity up**



While the largest leases of the year were concentrated in GovCon, the top two deals were in other industry sectors:

TOP 10 OFFICE LEASES OF 2022 (SQUARE FEET)



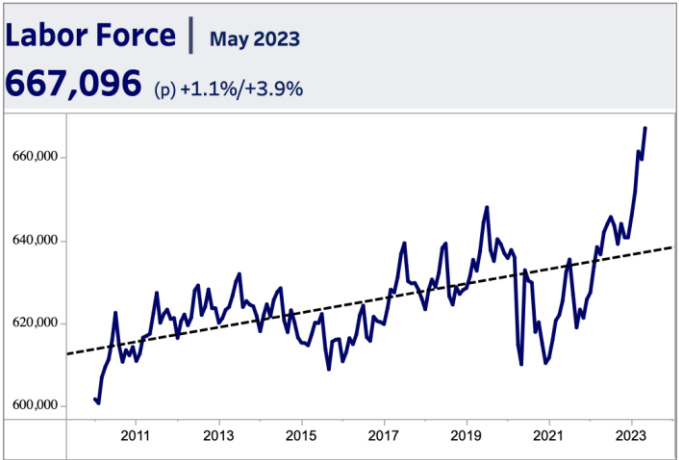
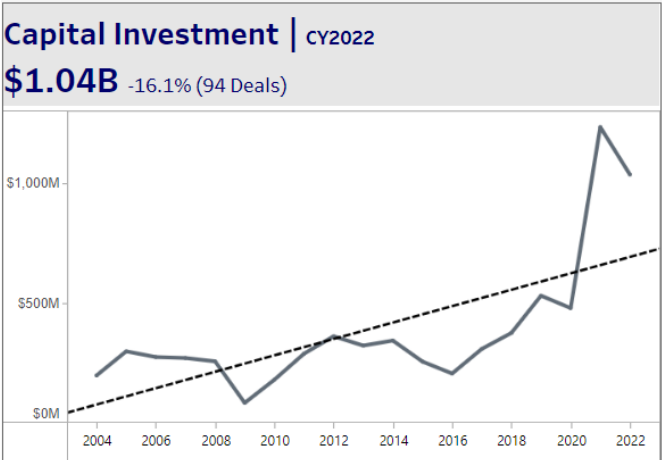
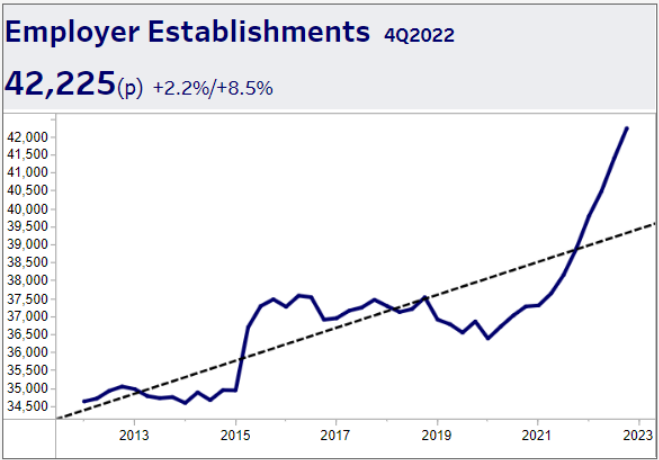
ECONOMIC INDICATORS AND FUTURE DEMAND

While many office leases can run 10 years or even more, economic indicators provide the foundation for future office demand. Fairfax County has seen these indicators rapidly rise in the past year

42,225
**RECORD NUMBER
OF BUSINESSES**

\$1.04B
**RECORD
VENTURE CAPITAL**

667,096
**RECORD
LABOR FORCE**



Source: The Pulse, US Bureau of Labor Statistics (LAUS and QCEW)

The perception of the office and the economy has shifted several times, becoming a moving target for decision-makers.

LEADING INDICATORS / ECONOMIC TRENDS LOCAL POTENTIAL IMPACTS



LOW IMPACT

INDICATOR:
Recession signaling

IMPACT:
**Recession-resilient
industries**



MEDIUM IMPACT

INDICATOR:
In-office activity

IMPACT:
Office-using industries

INDICATOR:
Interest rates

IMPACT:
Some exposure



HIGH IMPACT

INDICATOR:
Tight labor market

IMPACT:
**High office-based
employment**

INDICATOR:
Office market vacancy

IMPACT:
Robust inventory

Investment sales, office market expected to slow in wake of higher interest rates, inflation in 2023

Dec 15, 2022, 9:41am EST



Capital One toughens remote-work stance, wants employees in offices 3 days a week

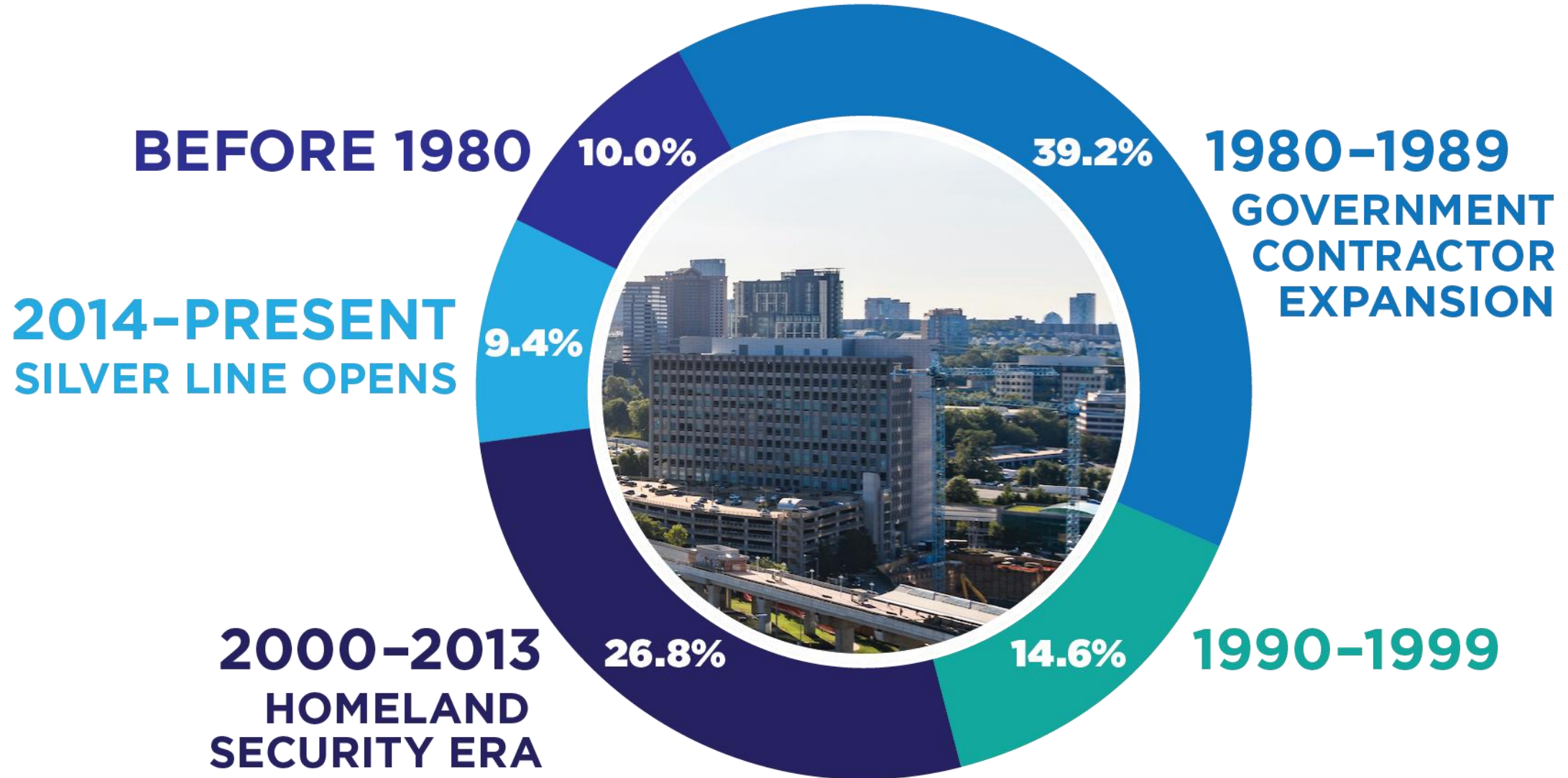


OFFICE INVENTORY AND VACANCY



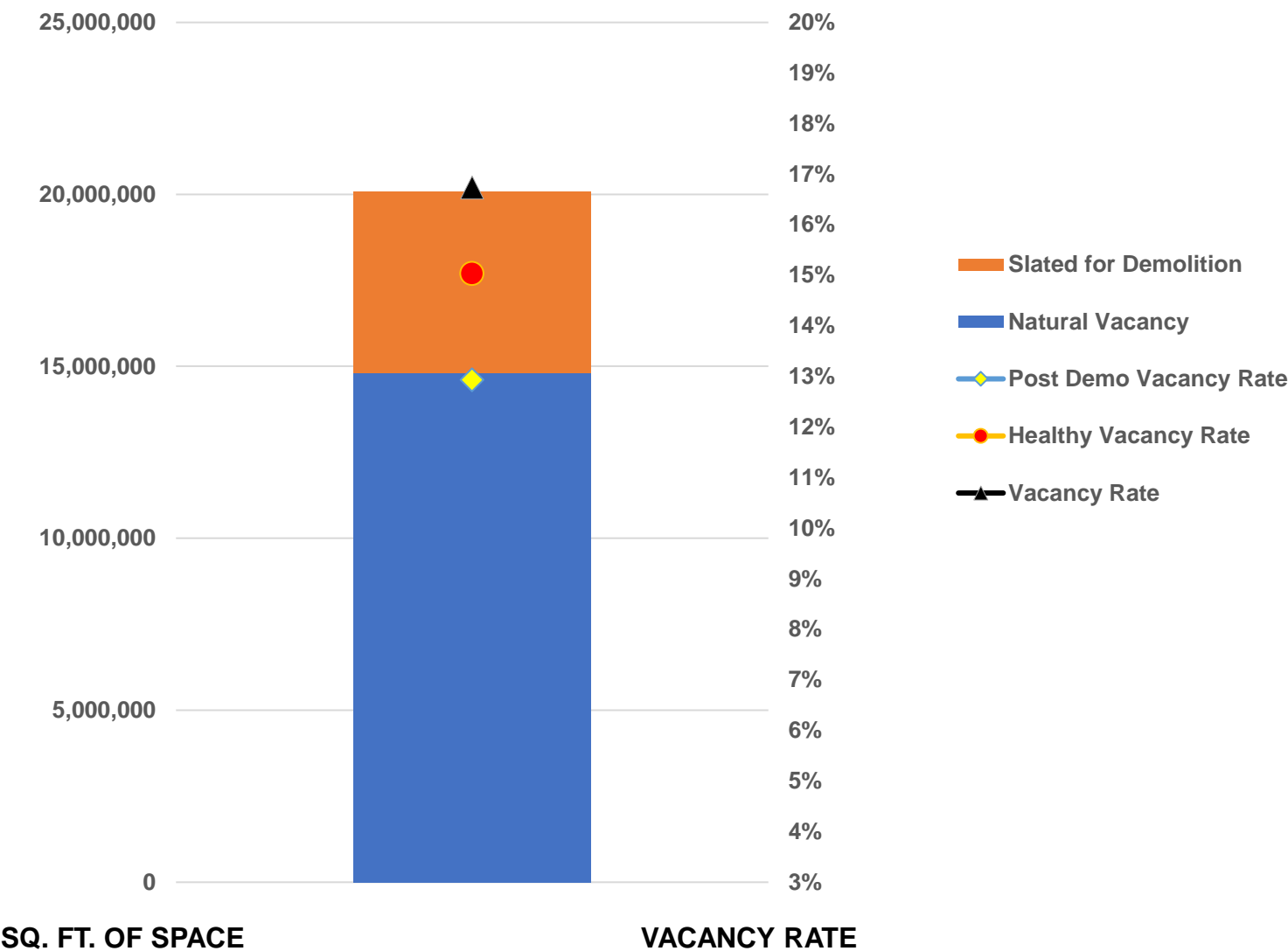
**FAIRFAX COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

AGE OF INVENTORY BREAKDOWN



VACANCY RATE BREAKDOWN

Office vacancy is currently above what is considered a healthy vacancy rate, but the office space currently held for redevelopment and reuse would provide a substantial decrease in the vacancy rate. The impact is depicted here ->



There are several types of office vacancy in Fairfax County—some that reflect market conditions and some that will require action.

NEW PRODUCT

Anchor Tenant



HELD FOR REDEVELOPMENT

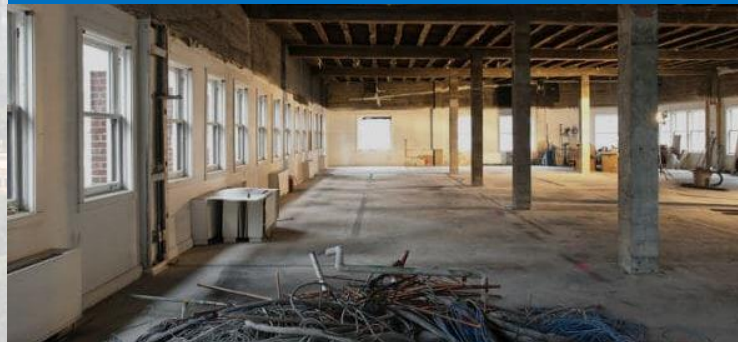


ESTABLISHED OR COMMODITY

- Second Generation
- Client-Serving



RENOVATION



REUSE

BEFORE



AFTER



SPECTRUM OF OPPORTUNITIES

Flex Office



Spec Suites



Commodity Space



R&D Space



Trophy Space



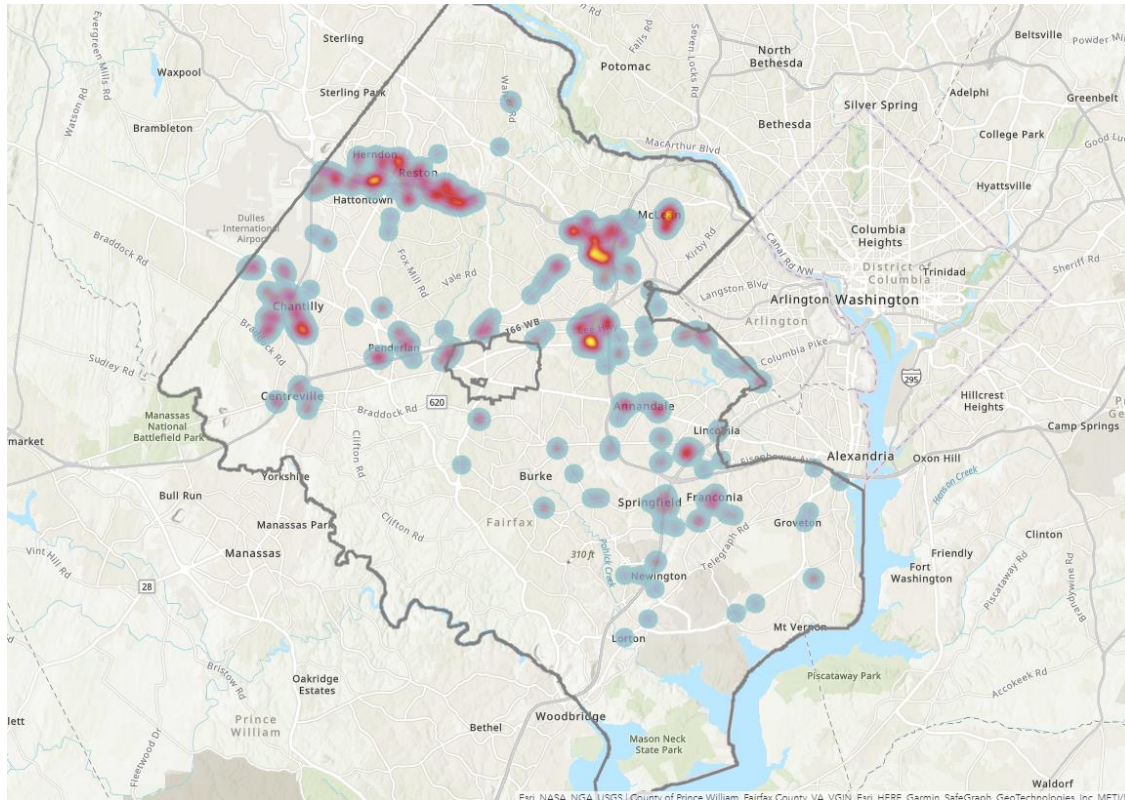
Build-to-Suit



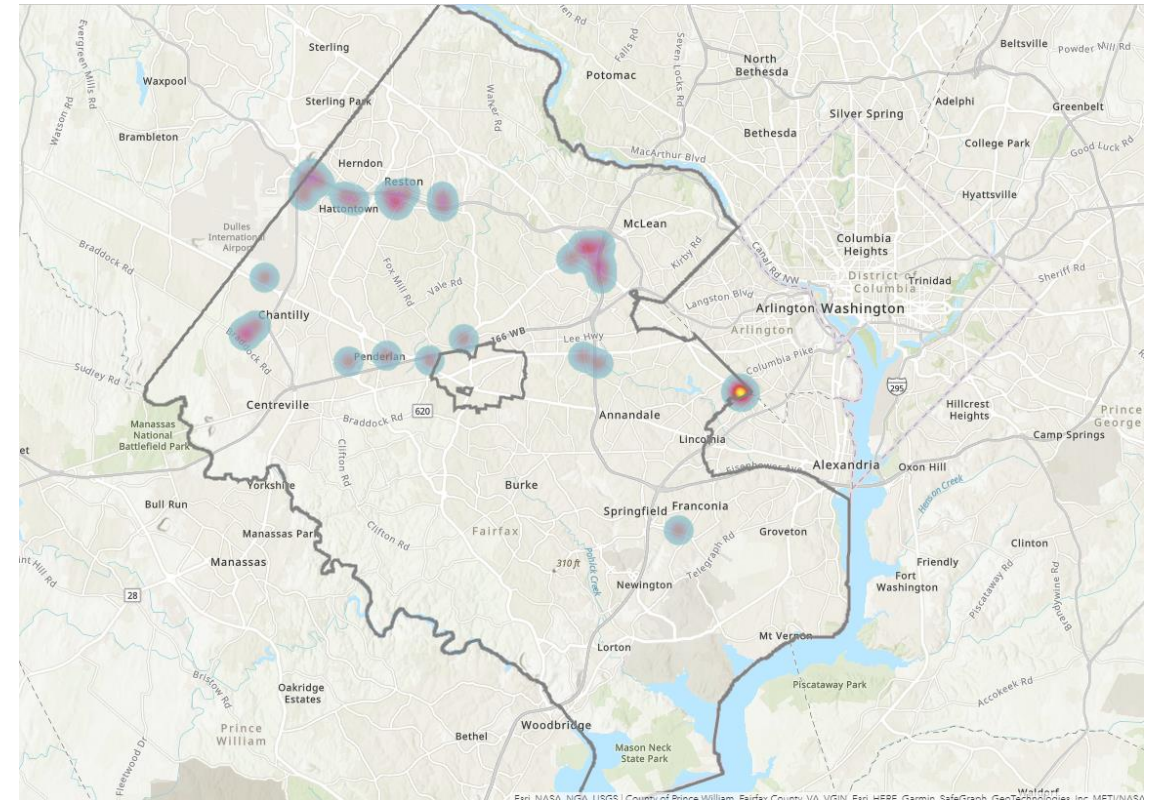
LARGE BLOCKS OF AVAILABLE SPACE

When we look at large blocks of space, the majority of spaces fall under 100,000 square feet.

50,000 square foot availabilities



+100,000 square foot availabilities



OFFICE PROPERTIES SLATED FOR DEMOLITION (YEAR BUILT)

Close to 5.9 million square feet of office space is slated for demolition or adaptive reuse, with an overwhelmingly majority of that space built before 1990.



OFFICE TO MULTI-FAMILY – RIGHT OPPORTUNITY

ASSESSED VALUE OF 5600 COLUMBIA PIKE (ADAPTIVE REUSE TO LIVE/WORK UNITS)

